

TRADEMARK ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT		
NATURE OF CONVEYANCE:	Termination and Release		
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Sankaty Advisors LLC		01/07/2005	Limited Liability Company: DELAWARE
RECEIVING PARTY DATA			
Name:	RHE, Inc.		
Street Address:	601 Marion Drive		
City:	Garland		
State/Country:	TEXAS		
Postal Code:	75042		
Entity Type:	CORPORATION: DELAWARE		
PROPERTY NUMBERS Total: 3			
Property Type	Number	Word Mark	
Registration Number:	1044952	BRADFORD	
Registration Number:	1333368	DIAMOND HORSESHOE	
Registration Number:	174832	DOBBS FIFTH AVENUE NEW YORK THE KNAPP-FELT SHOPS DOBBS & CO. D	
CORRESPONDENCE DATA			
Fax Number:	(214)746-7777		
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>			
Email:	lindsay.germano@weil.com		
Correspondent Name:	Weil,Gotshal& Manges c/o Lindsay Germano		
Address Line 1:	200 Crescent Court, Suite 300		
Address Line 4:	Dallas, TEXAS 75201		
NAME OF SUBMITTER:	Lindsay Germano		
Signature:	/Lindsay Germano/		

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Date:

04/20/2005

Total Attachments: 11

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TERMINATION AND RELEASE

THIS TERMINATION AND RELEASE (this "Agreement") dated as of January 7, 2005, is made by and among Arena Brands, Inc., a Delaware corporation (the "Company"), Arena Brands Holding Corporation, a Delaware corporation ("Holdings"), RHE Hatco, Inc., a Delaware corporation ("Hatco"), Lucchese, Inc., a Delaware corporation ("Lucchese"), and Korber Hats, Inc., a Delaware corporation ("Korber") (Holdings, Hatco, Lucchese, and Korber are referred to herein as the "Guarantors" and individually as a "Guarantor") (the Company and the Guarantors are referred to herein as the "Note Parties" and individually as a "Note Party"), Sankaty Advisors, LLC, as Collateral Agent (the "Collateral Agent"), and the persons designated as "Purchasers" on the signature pages of the Note Purchase Agreement (as defined below) (the "Purchasers" and, together with the Collateral Agent, the "Credit Parties").

RECITALS

A. WHEREAS, the Note Parties and the Credit Parties are parties to that certain Note Purchase Agreement, dated as of June 2, 2003 (as amended to date, the "Note Purchase Agreement"; terms used herein but not defined herein have the meanings set forth in the Note Purchase Agreement), pursuant to which the Purchasers purchased \$29 million in original principal amount of Senior Secured Notes of the Company (the "Notes"), the Guarantors guaranteed the Note Obligations, and the Note Parties pledged substantially all of their assets to the Collateral Agent to secure the Note Obligations.

B. WHEREAS, each of the Note Parties granted a security interest in all or substantially all of its assets to the Collateral Agent, for the benefit of the Purchasers, pursuant to that certain Security Agreement, dated as of June 2, 2003 (the "Security Agreement").

C. WHEREAS, the Company pledged to the Collateral Agent, for the benefit of the Purchasers, its ownership of the stock in Montana, Lucchese, Hatco, Imperial and Korber and its ownership of promissory notes by Montana, Lucchese, Hatco and Imperial pursuant to that certain Pledge Agreement, dated as of June 2, 2003 (the "Pledge Agreement").

D. WHEREAS, certain of the Note Parties granted a security interest in their trademarks to the Collateral Agent, for the benefit of the Purchasers, pursuant to a Trademark Security Agreement, dated as of June 2, 2003 (the "Trademark Security Agreement").

E. WHEREAS, certain of the Note Parties granted a security interest in their copyrights to the Collateral Agent, for the benefit of the Purchasers, pursuant to a Copyright Security Agreement, dated as of June 2, 2003 (the "Copyright Security Agreement").

F. WHEREAS, certain of the Note Parties granted a security interest in their patents to the Collateral Agent, for the benefit of the Purchasers, pursuant to a Patent Security Agreement, dated as of June 2, 2003 (the "Patent Security Agreement") and, together with the Trademark Security Agreement and the Copyright Security Agreement, the "IP Security Agreements").

G. WHEREAS, in order to evidence the pledges and the grants of security interests under the Security Agreement, the Pledge Agreement and the IP Security Agreements, each of the Note Parties caused the due execution and delivery of, inter alia, certain UCC-1 financing statements in favor of the Collateral Agent.

H. WHEREAS, the Note Obligations with respect to Montana and Imperial under the Note Purchase Agreement and the other Note Documents have been discharged in full and Montana and Imperial have been released (without recourse, representation or warranty) from any and all Note Obligations under the Note Documents and all documents and agreements delivered pursuant to the Note Documents or in connection therewith.

I. WHEREAS, the Company has informed Collateral Agent that it intends to redeem the notes on the Effective Date (as defined herein) in full pursuant to the Note Purchase Agreement of the aggregate principal amount of the amount of the Notes, interest accrued and unpaid on the Notes as of the Effective Date, plus all fees and other amounts, including the applicable prepayment fee, owing under the Note Purchase Agreement.

J. WHEREAS, in consideration of payment of the Repayment Amount as set forth on Exhibit A, the Company has requested, and Collateral Agent and the Purchasers have agreed, to cancel and return the Notes, the Guaranties, and to terminate or otherwise release any and all security interests that Collateral Agent and the Purchasers may have under the Note Documents (as defined in the Note Purchase Agreement). The Company has also requested, and Collateral Agent and the Purchasers have agreed, to deliver UCC-3 termination statements and releases of deeds of trust in connection with any and all security interests arising in favor of Collateral Agent and/or the Purchasers under the Note Documents, to release any and all liens arising in favor of Collateral Agent and/or the Purchasers under the Note Documents, and to otherwise grant a general release of all assets of each Note Party, and any other entity, which were granted to Collateral Agent and/or the Purchasers as security for the Obligations under the Note Purchase Agreement, and any and all other obligations arising under the Note Documents, and all documents and agreements delivered pursuant to any such documents or agreements, or in connection therewith. The Company has also requested and Collateral Agent and the Purchasers have agreed, to deliver any other stock certificates and/or stock powers, if any, held by Collateral Agent representing, evidencing, securing or perfecting a security interest in any collateral or security previously delivered to Collateral Agent.

NOW THEREFORE, with intent to be legally bound hereby and for other good and valuable consideration, receipt of which is hereby acknowledged, the Note Parties and the Credit Parties hereby agree as follows:

SECTION 1. Termination, Release and Discharge. On the Effective Date, the Collateral Agent on behalf of the Purchasers agrees to unconditionally terminate and release its and their liens on, and security interests in, all assets previously assigned by the Note Parties to the Collateral Agent as collateral (collectively, the "Collateral") including, without limitation, the Intellectual Property set forth on Exhibit B attached hereto (the "Intellectual Property")

SECTION 2. Return of Collateral; Return of Notes.

(a) The Collateral Agent acknowledges and agrees that it shall surrender, release, assign, transfer and deliver (without recourse, representation or warranty) to the Company (i) all of the instruments (as well as all stock powers and allonges), if any, representing, securing, evidencing or perfecting a security interest in any Collateral or security previously delivered to the Collateral Agent or any Purchaser under the Note Documents and (ii) any such Collateral or security, if any, previously delivered to the Collateral Agent or any Purchaser under the Note Documents. In the event any such instruments, Collateral or security cannot be located by the Collateral Agent, the Collateral Agent will (i) promptly execute and deliver to the Company an affidavit of (and indemnity with respect to) such lost instruments, Collateral or security that were delivered to the Collateral Agent and (ii) request that each other Purchaser promptly execute and deliver to the Company an affidavit of (and indemnity with respect to) such lost instruments, Collateral or security that were delivered to such Purchaser, each which shall be in form and substance reasonably satisfactory to the Company, General Electric Capital Corporation ("GECC") and the Collateral Agent.

(b) The Collateral Agent acknowledges and agrees that it shall cancel and deliver (without recourse, representation or warranty) to the Company any and all Notes executed by the Company to the Collateral Agent or any of the Purchasers under the Note Purchase Agreement. In the event that any such Notes cannot be located by the Collateral Agent, the Collateral Agent will (i) promptly execute and deliver to the Company an affidavit of (and indemnity with respect to) such Notes that were executed by the Company to the Collateral Agent and (ii) request that each other Purchaser promptly execute and deliver to the Company an affidavit of (and indemnity with respect to) such Notes that were executed to such Purchaser by the Company, each of which shall be in form and substance reasonably satisfactory to the Company, GECC and the Collateral Agent.

SECTION 3. Release of Collateral Agent. Each of the Note Parties does hereby for itself and for its respective successors and assigns, subject to the indemnities in Section 2 hereof, fully and unconditionally release and forever discharge (without recourse, representation or warranty) the Collateral Agent, the Purchasers and each of their respective successors and permitted assigns from all liabilities under or claims relating to the Note Documents ("Released Claims"), , and covenant not to institute, maintain, or prosecute any action, claims, suit, proceeding or cause of action of any kind to enforce any of the Released Claims.

SECTION 4. Representation and Warranty of Collateral Agent. The Collateral Agent represents and warrants that it has the authority to execute and deliver this Agreement on behalf of itself and the Purchasers. By its signature below, each Purchaser authorizes the Collateral Agent to execute and deliver this Agreement and other documents relating to the matters contemplated hereby on behalf of itself. The Collateral Agent also represents and warrants that it has not created or suffered to be created any lien on any Collateral and has not transferred or assigned any interest in any Collateral, other than the release of the Collateral pursuant to Section 2 above.

SECTION 5. Effectiveness. This Agreement becomes effective when (i) the Collateral Agent receives the Repayment Amount in full in cash by wire and (ii) all parties hereto have executed and delivered a counterpart hereof (including by way of facsimile transmission) (the "Effective Date").

SECTION 6. Further Assurances. The Collateral Agent agrees that it shall, and shall use its reasonable efforts to cause the Purchasers to, from time to time, at the expense of the Company, promptly execute, acknowledge and deliver to the Company, Holdings or their respective successors or assigns such instruments, agreements, and other documents (including, without limitation, UCC-3 termination statements) as the Company, Holdings or their respective successors or assigns shall reasonably request in order to further evidence the releases and discharges described in Sections 1 and 2 above. The Collateral Agent, on behalf of itself and the Purchasers, irrevocably authorizes each Note Party (or their respective designees) to file in any jurisdiction any UCC-3 financing statements and terminations on behalf of the Purchasers and the Collateral Agent necessary to evidence the release and termination of the Purchasers' and the Collateral Agent's security interests referred to in Section 1. The Note Parties shall provide copies to the Collateral Agent of any termination statements filed pursuant to the foregoing sentence.

SECTION 7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 8. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which, taken together, shall constitute one and the same document.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first set forth above.

ARENA BRANDS, INC.

By: Thomas A. Hough
Name: Thomas A. Hough
Title: Vice President, Chief Financial Officer
and Treasurer

ARENA BRANDS HOLDING CORPORATION

By: Thomas A. Hough
Name: Thomas A. Hough
Title: Vice President, Chief Financial Officer
and Treasurer

RHE HATCO, INC.

By: Thomas A. Hough
Name: Thomas A. Hough
Title: Vice President, Chief Financial Officer
and Treasurer

KORBER HATS, INC.

By: Thomas A. Hough
Name: Thomas A. Hough
Title: Vice President, Chief Financial Officer
and Treasurer

LUCCHESE, INC.

By: Thomas A. Hough
Name: Thomas A. Hough
Title: Vice President, Chief Financial Officer
and Treasurer

PURCHASERS:

SANKATY CREDIT OPPORTUNITIES, L.P.

By: *S. E. Davies*
Name: Stuart E. Davies
Title: Senior Vice President

SANKATY HIGH YIELD PARTNERS II,
L.P.

By: *S. E. Davies*
Name: Stuart E. Davies
Title: Senior Vice President

SANKATY HIGH YIELD PARTNERS III,
L.P.

By: *S. E. Davies*
Name: Stuart E. Davies
Title: Senior Vice President

RACE POINT CLO, LIMITED

By: Sankaty Advisors, LLC, its
its Investment Manager

By: *S. E. Davies*
Name: Stuart E. Davies
Title: Senior Vice President

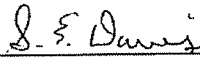
RACE POINT II CLO, LIMITED

By: Sankaty Advisors, LLC,
its Investment Manager

By: *S. E. Davies*
Name: Stuart E. Davies
Title: Senior Vice President

BRANT POINT CBO 1999-1 LTD.


By: Sankaty Advisors, LLC,
its Investment Manager

By: 
Name: Stuart E. Davies
Title: Senior Vice President

[Signature Page to Sankaty Termination and Release]

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GARMARK ADVISORS, LLC

By: 
Name: E. Garrett Bewkes, III
Title: Managing Principal

COLLATERAL AGENT:

SANKATY ADVISORS, LLC,
as Collateral Agent

By: 
Name: **STUART E. DAVIES**
Title: **SENIOR VICE PRESIDENT**

[Signature Page to Sankaty Termination and Release]

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EXHIBIT A

Repayment Amount

Wire
Transfers
to be made
by GECC

Term Loan initial funding	\$	-
Tranche C payments:		
Sankaty Credit Opportunities	\$	4,458,131.64
Sankaty II		2,543,707.22
Sankaty III		1,923,736.59
Brant Point II		1,271,853.61
Race Point I		635,926.80
Race Point II		635,926.80
Brant Point I		<u>1,255,897.43</u>
Total Sankaty	\$	12,725,180.09
Total	\$	<u>12,725,180.09</u>

Trademarks

To Be Assigned from Sankaty Advisors to RHE, Inc.

RHE, INC.			
Owner of Record	Registration Number	Registration Date	Trademark
RHE, Inc.	1,044,952	07/27/1976	Bradford
RHE, Inc.	1,333,368	04/30/1985	Diamond Horseshoe
RHE, Inc.	174,832	10/23/1923	Dobbs Fifth Avenue New York The Knapp-Felt Company D & Design